



Analyst Meeting

Floris Deckers

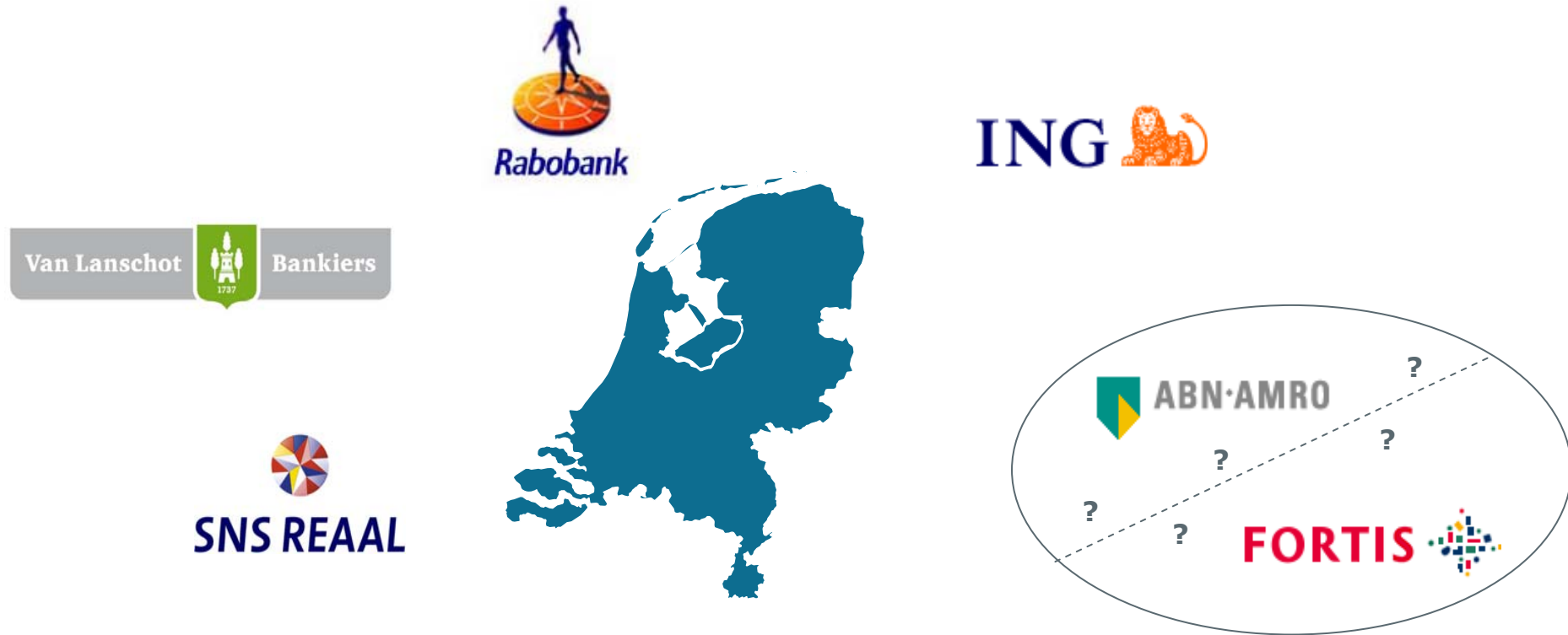
22 October 2008

Programme

- The Dutch banking landscape

- Low risk profile of Van Lanschot

The Dutch banking landscape



→ Van Lanschot – the 5th (4th?) largest bank in the Netherlands

→ Van Lanschot is not active in BancAssurance

What is happening at the other Dutch banks...?

- **ABN Amro + Fortis**

- “Nationalised” since 6 October
- Uncertainty regarding future owner(s)
- EU remedy - carve out to Deutsche Bank – not yet approved
- Future of Fortis Insurance uncertain
- Buy-out of joint venture with Delta Lloyd

- **ING**

- Merger of ING Bank and Postbank
- Limited focus on Private Banking
- € 10b capital injection from Dutch state
- Write-downs on cautious level

What is happening at the other Dutch banks...?

- **Rabobank**

- Large inflows of customer deposits
- Assertive marketing
- Committed to BancAssurance / Eureko / Achmea?
- New CEO in 2009

- **SNS Reaal**

- AXA and Zwitserleven to be integrated
- New CEO and Board members
- Banking model geared to mortgage production
- Bouwfonds acquisition: effect of Real Estate downturn?

... and at Van Lanschot – our clients

- **Van Lanschot has been affected by market unrest**
 - Inflow of clients and assets continues
 - Strong inflow of customer deposits: € 1.7b in H1 2008 (+24%), compared with +4% at Rabobank
 - Client growth to July 2008 of 3.5%
 - New clients fall into our “sweet spot”: wealthy individuals
 - Substantial numbers of new clients from ABN Amro and Fortis in the weeks preceding nationalisation
 - Clients are splitting assets and liabilities over banks

... and at Van Lanschot – our employees

- **Recruitment of new experienced bankers to further reinforce private banking teams**
 - Over 50 senior appointments filled by external candidates so far in 2008
 - Including high-profile hirings:
 - Jan Willem Meeuwis (ABN Amro)
 - Charles van Schelle (ABN Amro)
 - Lucien Claessens (ING)
 - 'DGA' team in Rotterdam (MeesPierson)
 - Main suppliers are ABN Amro, Fortis MeesPierson and ING
 - Van Lanschot Kempen: 6 senior appointments in 2008

Programme

- The Dutch banking landscape

- **Low risk profile of Van Lanschot**

Strong solvency position

- Solid capital ratios (Basel II SA)

- BIS ratio: 11.3%*
- Tier I ratio: 8.8%*
- Core Tier I ratio: 6.6%*

- Additional € 100m in Lower Tier II capital issued in August 2008

- No investments in subprime sector, CDOs and SIVs

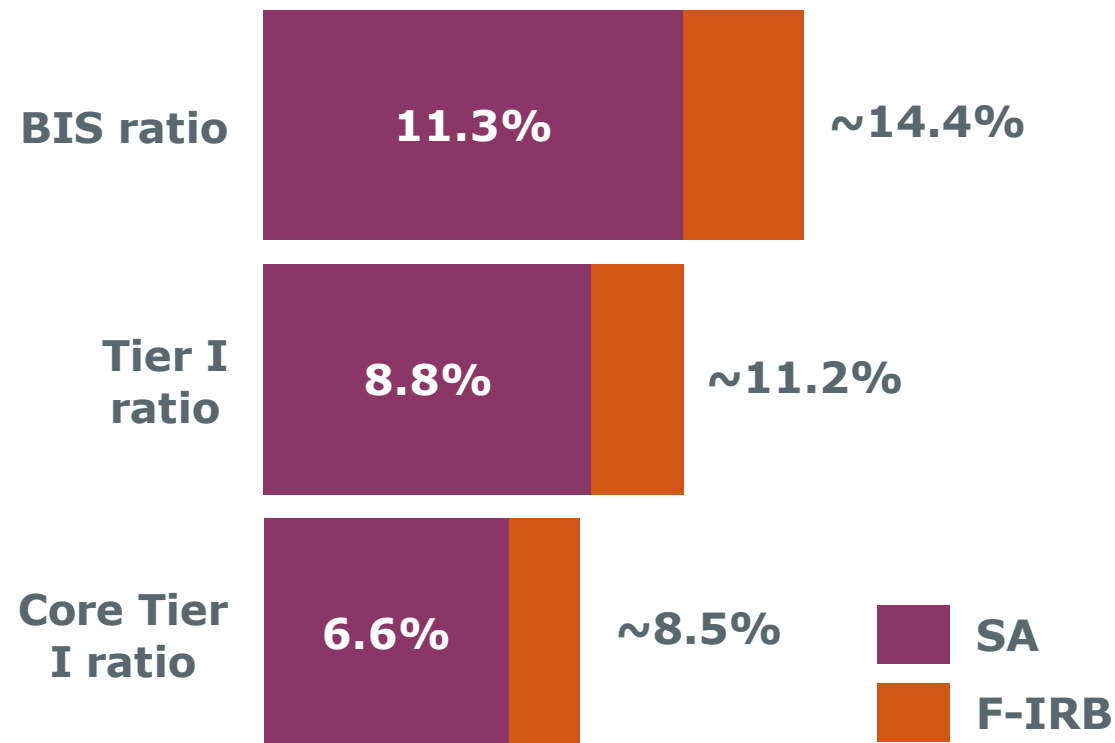
- Expected capital relief of approx. € 250m under Basel II F-IRB approach

- Single A (stable outlook) ratings reconfirmed by Standard & Poor's and Fitch in July 2008

* at 30 June 2008

Higher capital ratios under F-IRB

Capital ratios at 30 June 2008 (pro forma)



- Currently: Basel II Standardised Approach (SA)
- As from 2011: F-IRB
- Estimated capital relief: ~€ 250m
- Significant impact on capital ratios

Higher capital ratios under F-IRB (in detail)

Capital ratio calculations

INDICATIVE

<u>Effect F-IRB</u>	<u>€ million</u>
Estimated capital relief F-IRB	250
Implied RWA decline	3,125

<u>Capital as of 30-6-2008</u>	<u>Basel II SA</u>		<u>Basel II F-IRB</u>	
	<u>€ million</u>	<u>%</u>	<u>€ million</u>	<u>%</u>
BIS Core Tier 1	946	6.6%	946	8.5%
BIS Tier 1	1,252	8.8%	1,252	11.2%
BIS total capital	1,610	11.3%	1,610	14.4%
Risk-Weighted Assets	14,289		11,164	

Future solvency requirements

- Current statutory minimum requirements

- BIS ratio 8%
- BIS Tier I ratio 4%

- Core Tier I ratios after recent state capital injections

- ING 8%
- Fortis (1st weekend) 9%
- RBS 9%
- Lloyds TSB 8%
- HBOS 8%



**New minimum
solvency requirements?**

Sufficient liquidity

- **Excellent funding position**

- Funding ratio at 31 July 2008 above 98%
- Net lender on the interbank money market (> € 1b), maximum term of 3 months
- € 1.4b eligible collateral DNB/ECB, comprising investment portfolio, eligible assets securitisation transaction and general collateral management
- Repayment and repurchase of FRNs € 1b in H1 2008

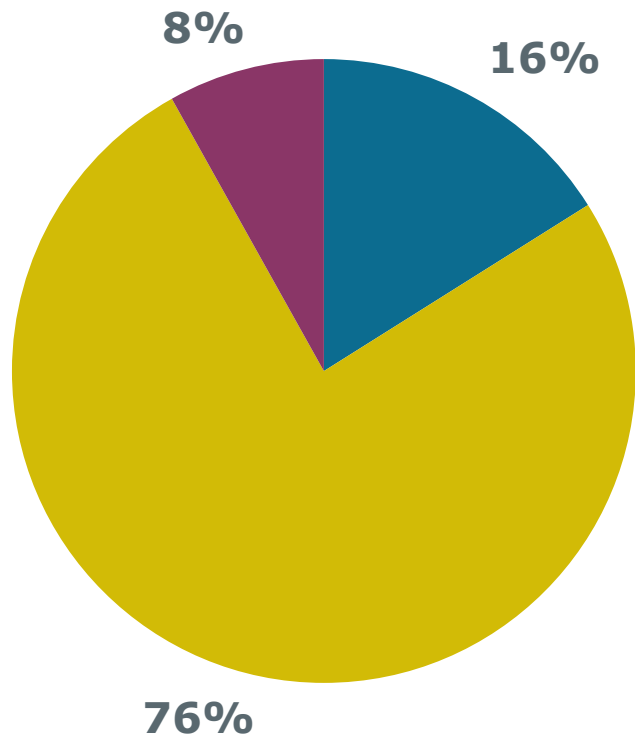
Impact of the credit crisis on results

- Less investor activity is hurting results. In **H1 2008**:
 - Over 15% fewer securities transactions
 - Lower average size of transactions by 40%, due partly to falling equity markets
 - Falling share prices also means lower management fees
- ➔ Securities commission down 36%
- ➔ Net profit down 41% to € 60.2m

Risk management

Economic capital by risk type

At 31 December 2007



Does not include liquidity risk!

Credit and concentration risks (76%)

- We know and understand our clients and our products
- Conservative lending policy
- Selective interbank lending

Operational and strategic risks (16%)

- H1 2008: 223 incidents > € 1,000
- Reputation risk is important in these markets

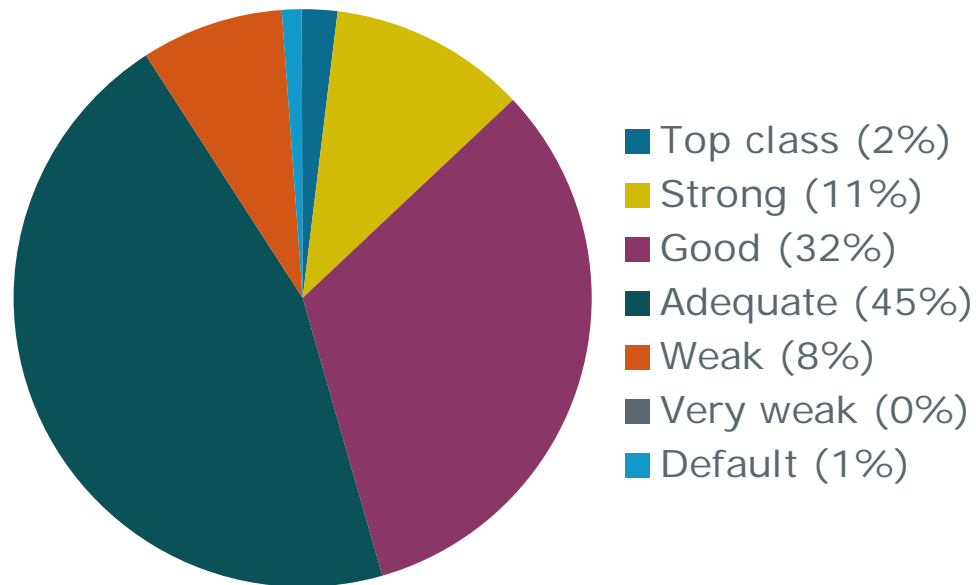
Market and interest rate risks (8%)

- Average VaR H1 2008: € 122k
- Duration at 30 June 2008: 4.45 years
- Virtually no exposure on derivatives (IGCs)

Credit and concentration risk

Internal rating of loans portfolio

At 30 June 2008 (100% = € 16.7b)



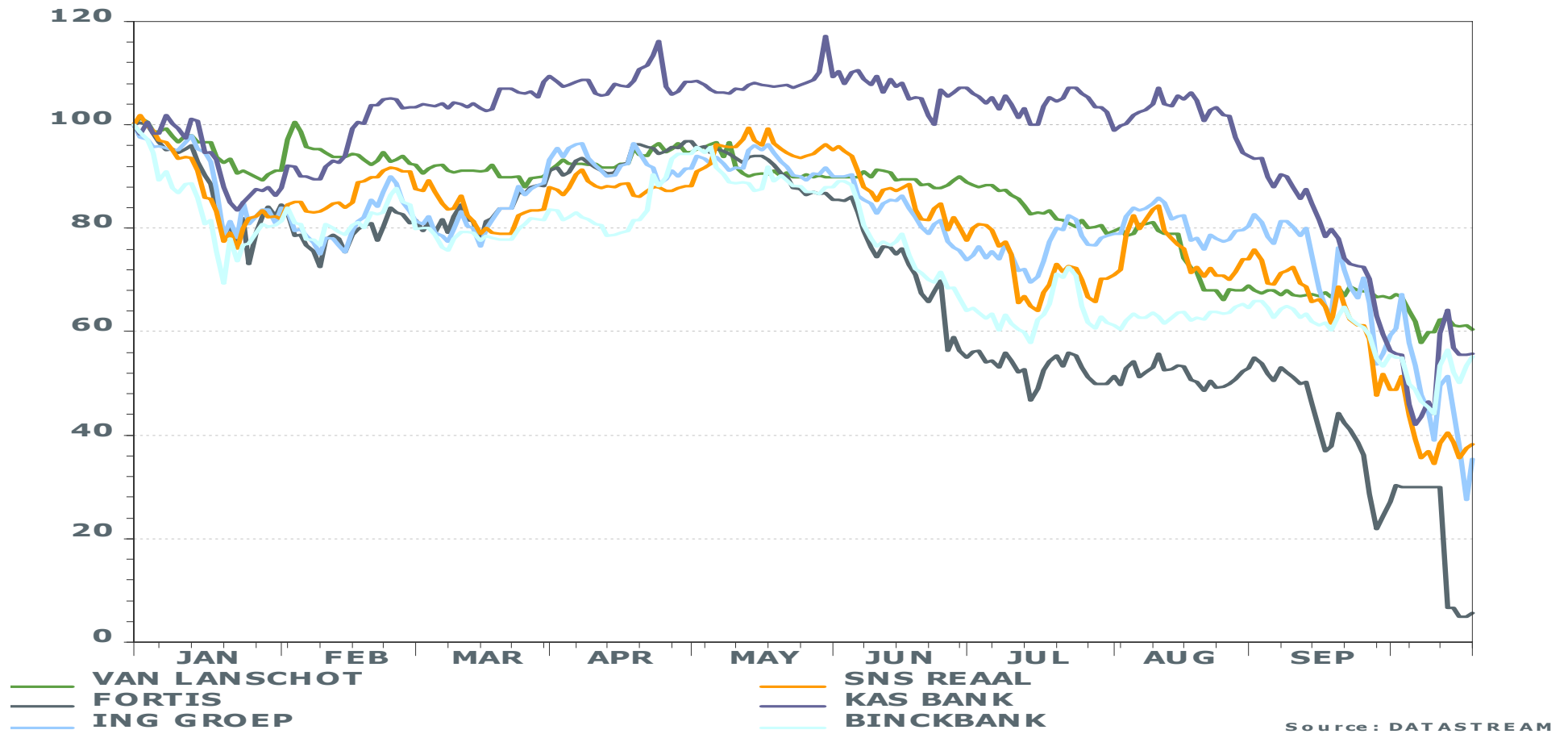
- Conservative lending policy: loans issued primarily to high net worth individuals and family-owned companies in the Netherlands and Belgium
- High-quality loan book:
 - € 8.0b of Dutch mortgages
 - € 1.6b of other loans to high net worth individuals
 - € 7.1b of loans to medium-sized and family-owned businesses and to healthcare clients
- Addition to provision:
 - H1 2008: 4bp of RWA
 - Through the cycle: 15bp of RWA

Derivatives: IGCs

- Index Guarantee Contracts (IGCs) are structured products with a guarantee element issued by Van Lanschot
- Total volume amounts to € 1.2b (at 30 June 2008)
- Main possible risks for Van Lanschot are:
 - Credit risk on counterparty for OTC-option
 - Well-spread over various counterparties
 - Solid counterparties
 - Market risk on own position
 - Virtually no exposure
 - No own book
 - No active trading
 - Operational risk (client care)
 - Clients have been well informed

Why it pays to be boring

January – October 2008



Any questions?



Private Banking

Joost Rietvelt, Private Banking management team
22 October 2008

Market position of Van Lanschot Private Banking

- Brand name: top 2
- Brand value: exclusive
- Distribution network: 32 offices in the Netherlands, 8 in Belgium, and offices in Luxembourg, Switzerland, Curacao
- Niches: executives and business professionals; EMS (compliance!)

Van Lanschot's strategy

- In the past two years, Van Lanschot has taken the view that, as a small player in the Benelux banking market, the bank should be involved in those areas where it has or could have a clear competitive advantage.
- Amongst other things, this has led to the acquisition of Kempen & Co, the sale of the insurance business and a different stance as to the mortgage business.
- In private banking, Van Lanschot has reviewed its product offerings and client segmentation strategy. This has resulted in more focus on the high end of the market, with a new, distinct service offering.
- Taking into account Van Lanschot's strong brand name, its extensive and focused network of private banking offices, its range of in-house private banking solutions (including business banking and Trust) and its current appeal to seasoned private bankers, the bank believes it is well positioned to gain market share.

Focus 2008

- Expanding and improving front office capabilities
- Investing in service delivery infrastructure
- Investing in market presence
- Facing the challenges in the market
 - Fortis/ABN AMRO
 - Credit crisis

Front office capabilities

- New hires in front office appr. 60 of which 45 senior
- New hires in top management layer (10)
- Private Wealth Teams (12 → 18)
- Training: focus on content (client advice) and selling skills (including Siebel CRM)

Service delivery capabilities

- Siebel-CRM
- Structuring
- DGA desk (manager – business owner)
- Private Banking Services

Market presence

- New advertising campaigns (3)
- Name recognition
 - Top of mind + spontaneous + 10% in all ranges of clients
 - Highest among private banking clients (51%)
- Strong brand image
 - Best Private Bank: #2 (however ...)
 - Reliable
 - Independent
 - Tailor-made solutions
 - Exclusive
 - Focus on long-term relationships



Market challenges

- Fortis/ABN AMRO
 - Personnel
 - Clients
- Credit crisis
 - Type of business (time deposits)
 - Flow of business (trust)
- New competitive environment?
 - Domestic players
 - International players

H1 2008 results

- Asset growth: on track (excluding price impact)
- Commission income: strong decline (volume and activity level)
- Interest income: higher volume; lower margins
- Costs: on target
- Difficult year from an earnings perspective

Goals for 2009

- Further improvement of service delivery capabilities (IT, skills and people)
- Alignment of the organisation (IPB, Structuring, Business Banking and Private Banking)
- Growth of volume and income

Any questions?



Van Lanschot Kempen

Eugène van Nispen tot Sevenaer
22 October 2008

Van Lanschot Kempen proposition

Asset Management

- (Fiduciary) Asset Management
- Offering of specialty products
- Distinguishable investment advice
- Order execution

Financing

- Blanco / Standby facility
- Asset finance
- Business finance in cooperation with Business Banking

Client

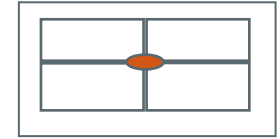
Structuring

- Fiscal optimisation
- Fiscal product development
- Trust related activities

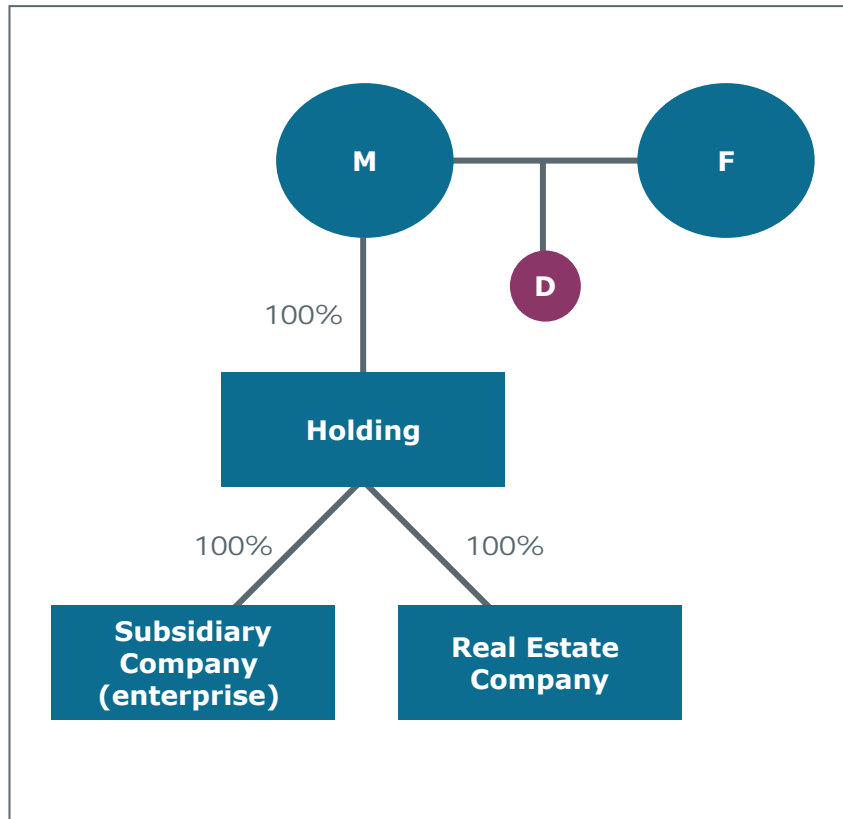
Banking services

- Payment services
- Cash management
- Insurance

Starting position



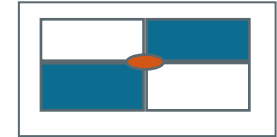
Situation 1



Holding			
Sub Com	9,000	Equity	20,000
RE Com	6,000		
Sh. Loan	2,000		
Bank	3,000		
Total	20,000	Total	20,000

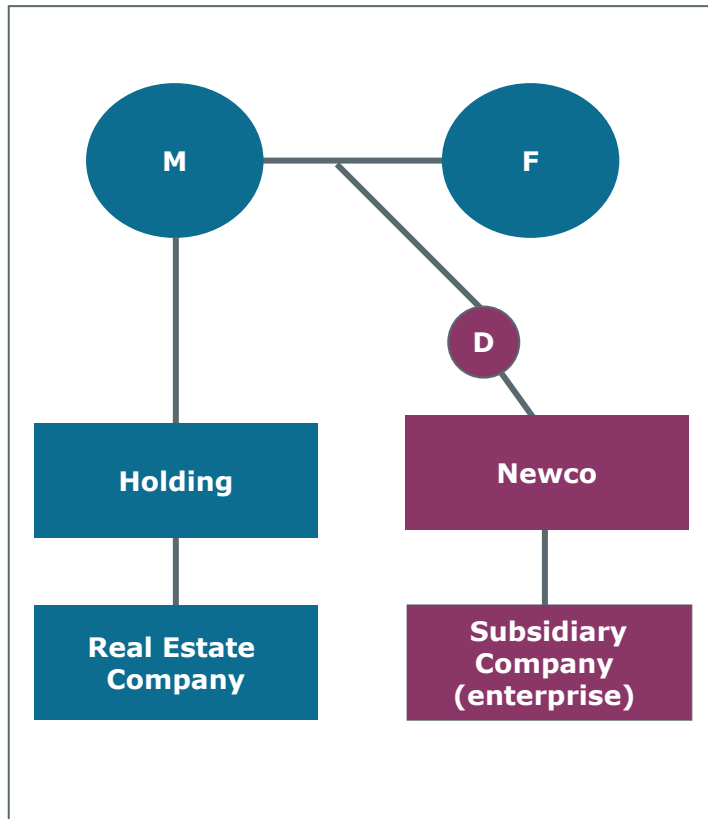
Sub Com			
F. Assets	10,000	Equity	9,000
Bank	2,000	Debt	3,000
Total	12,000	Total	12,000

RE Com			
RE	7,000	Equity	6,000
Bank	500	Mortgage	1,500
Total	7,500	Total	7,500



Transfer to Daughter

Situation 2



Holding			
RE Com	6,000	Equity	27,000
Sh. Loan	2,000		
Bank	19,000		
Total	27,000	Total	27,000

Newco			
Sub Com	14,000	Equity	1,000
Bank	0	Debt	13,000
Total	14,000	Total	14,000

RE Com			
RE	7,000	Equity	6,000
Bank	500	Mortgage	1,500
Total	7,500	Total	7,500

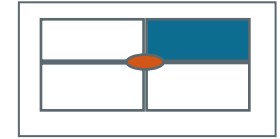
Sub Com			
F. Assets	10,000	Equity	7,000
Bank	0	Debt	3,000
Total	10,000	Total	10,000

Steps:

- Dividend pay-out Subcom € 2 m
- Business Banking finances € 13 m; Holding co. guarantees
- Newco buys Subcom for € 14 m

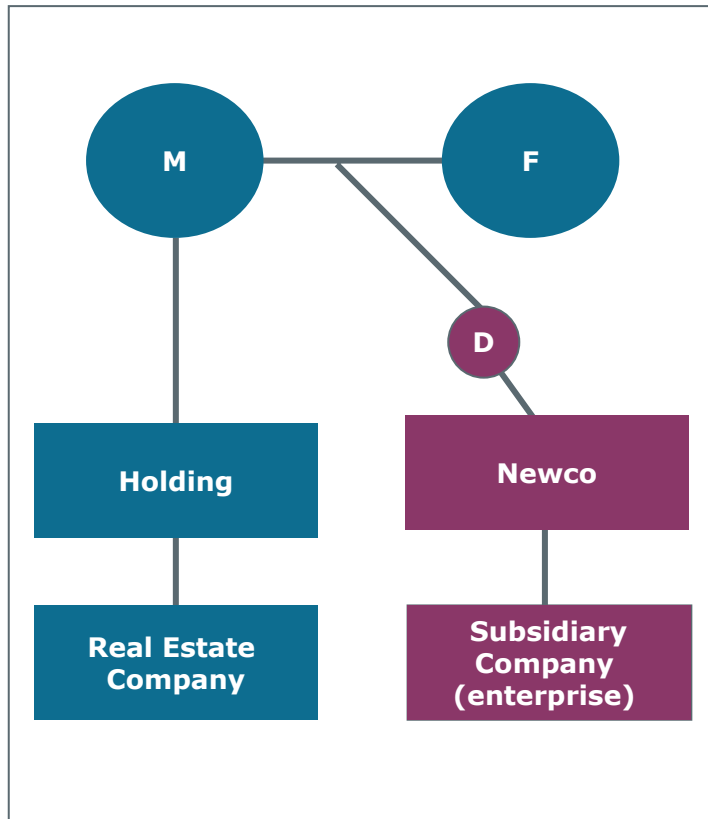
Result:

- Implement structure
- Finance € 13 m
- Opportunities for asset management



Financing Real Estate

Situation 3



Holding			
RE Com	6,000	Equity	27,000
Sh. Loan	2,000		
Bank	19,000		
Total	27,000	Total	27,000

Newco			
Sub Com	14,000	Equity	1,000
Bank	0	Debt	13,000
Total	14,000	Total	14,000

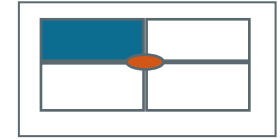
RE Com			
RE	7,000	Equity	6,000
Bank	3,500	Mortgage	4,500
Total	10,500	Total	10,500

Sub Com			
F. Assets	10,000	Equity	7,000
Bank	0	Debt	3,000
Total	10,000	Total	10,000

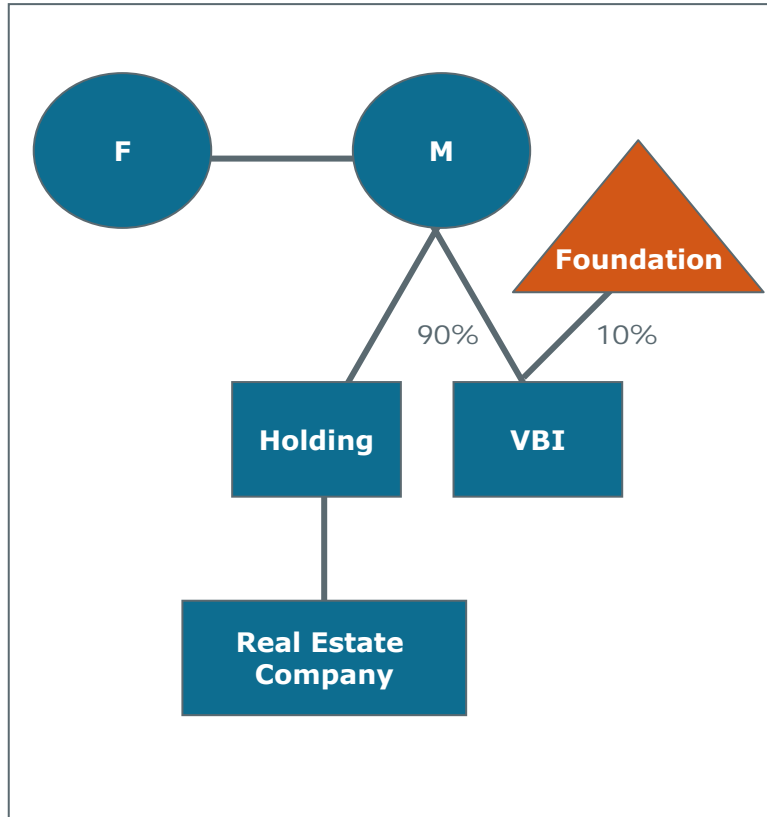
Steps:

- FvL Real Estate finances an additional € 3 m

Creation of investment vehicle



Situation 4



Holding		Equity	
RE Com	3,000		18,000
Sh. Loan	2,000		
Bank	13,000		
Total	18,000	Total	18,000

Ing		Equity	
Bank	10,000		10,000
			0
Total	10,000	Total	10,000

RE Com		Equity	
RE	7,000		3,000
Bank	500	Mortgage	4,500
Total	7,500	Total	7,500

Foundation		Equity	
Ing	1,000		0
Bank	0	Debt	1,000
Total	1,000	Total	1,000

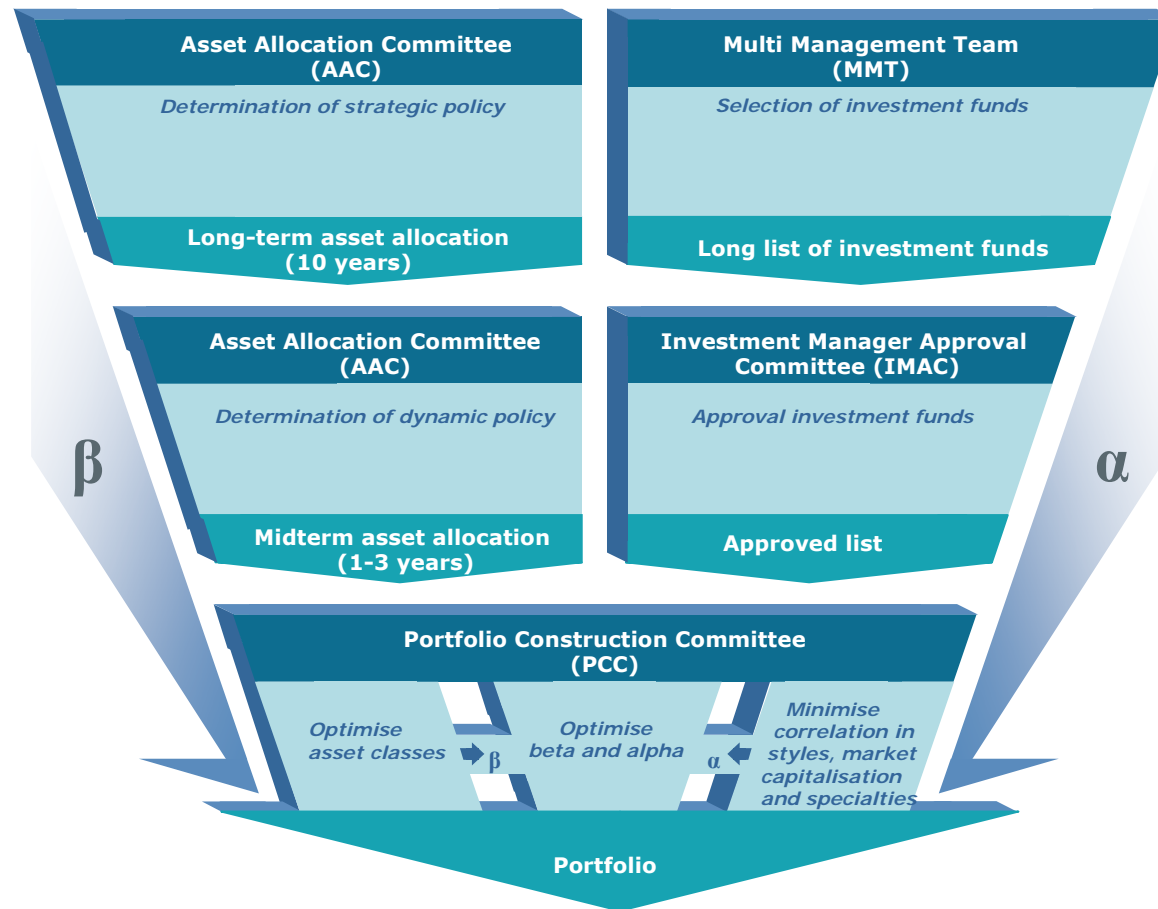
Steps:

- Dividend pay-out RE Com € 3 m
- Create 'VBI' € 10 m;
Holding € 9 m + Foundation € 1 m
- Create annuity for foundation to pay interest

Result:

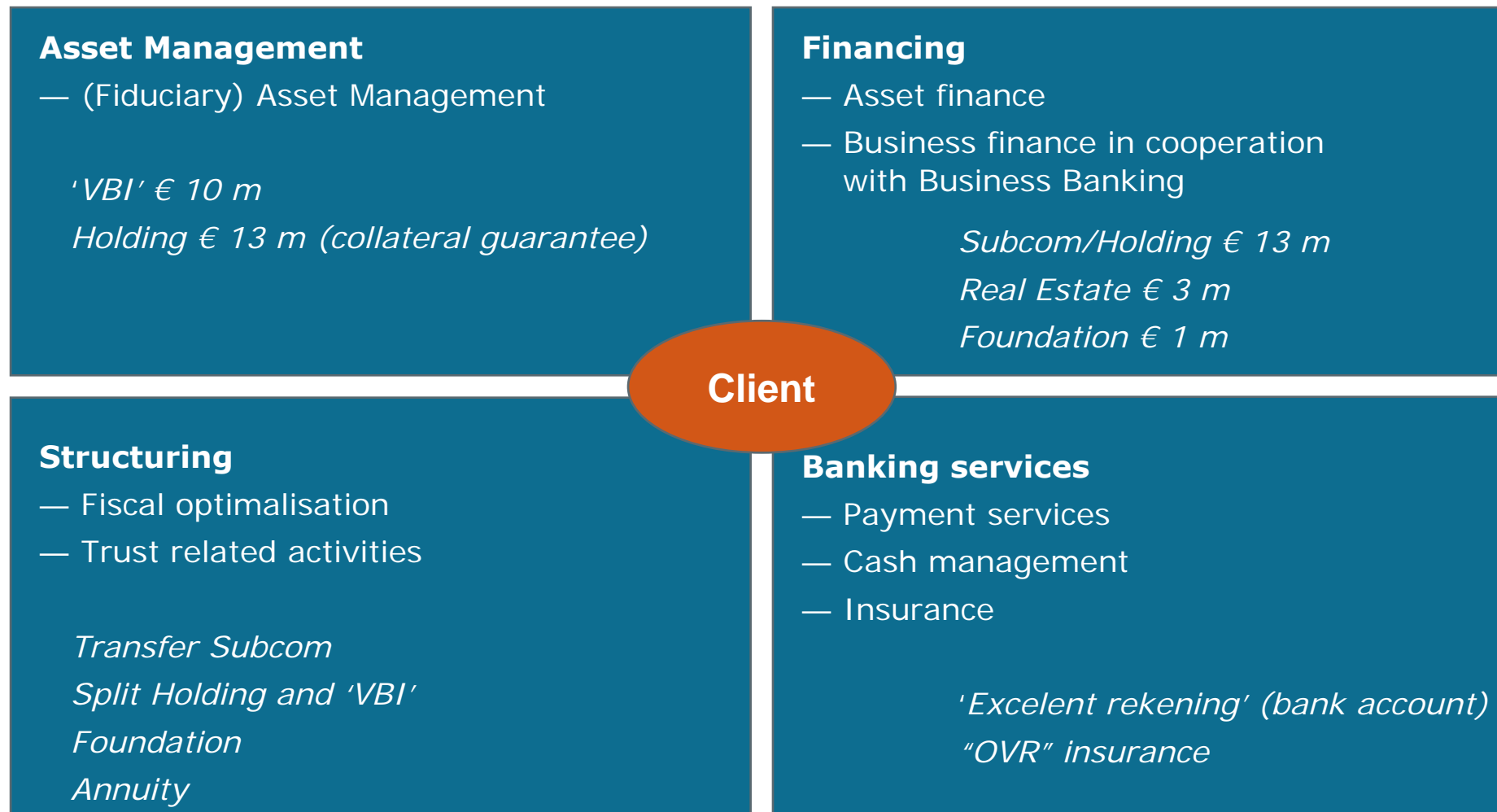
- Implement fiscal structure
- Finance € 1 m foundation
- Asset management € 23 m
- Trust manages 'VBI'

Investment process



When constructing the portfolio, α and β meet

What did we accomplish for the client and Van Lanschot?



What makes Van Lanschot Kempen a pleasure to work with and for?

For the client

- Highly experienced team of 32 people (previous experience at: Abn Amro, Van Lanschot, ING, Kempen, Loyens, Mees Pierson, Schretlen)
- “Best of both worlds” product offering
- Dedicated team; each professional deals with only a small number of clients
- Direct access to top-class investment officers at Kempen
- Short lines to committed Board members

For the team members

- An inspiring and challenging environment
- Emphasis on team contribution instead of individual budgets makes collaboration rewarding
- Possibility to combine commercial activities, professional expertise and influence on policy
- Ample scope for initiative
- A perfect physical working environment (WTC)

Which leads to long-term relationships!

Any questions?



Business Banking

Aad Smits, Director of Business Banking
The Hague, 22 October 2008

I Objectives (what)

- A. As part of the Van Lanschot private bank, Business Banking focuses primarily on:
1. the successful entrepreneur
 2. with an equity stake
 3. in his/her company in the medium-sized business segment
 4. preferably dealing with the interaction of professional and personal needs
- the director-owner as a (potential) client for the Private Bank

I Objectives (what)

- B. - Controlled volume and profit growth at Business Banking forms one of the strategic pillars of the Van Lanschot private bank
 - Operating with a real focus on director-owners whereby short lines lead to long-term relationships
- Business Banking is complementary to Private Banking and not a separate strategy in itself

1. The successful entrepreneur

- 80-90% of millionaires with assets exceeding € 5 million are current or former entrepreneurs
- Director-owners are the principal wealth accumulators and therefore the key group of prospects for the Private Bank
- The relationship with the director-owner is usually initiated by Business Banking

2. With an equity stake in the company

- Wealth accumulation occurs over a large period of years within the company
- Unlike in the past, multiple shareholders in a company is becoming increasingly common
- Wealth planning and the transfer of wealth out of the company is taking place much earlier
- ➔ The performance of Business Banking is an important lead generator for Private Banking
- ➔ A rapidly growing number of director-owner prospects
- ➔ Private Banking is introduced long before the company transfer

3. Medium-sized family and other businesses

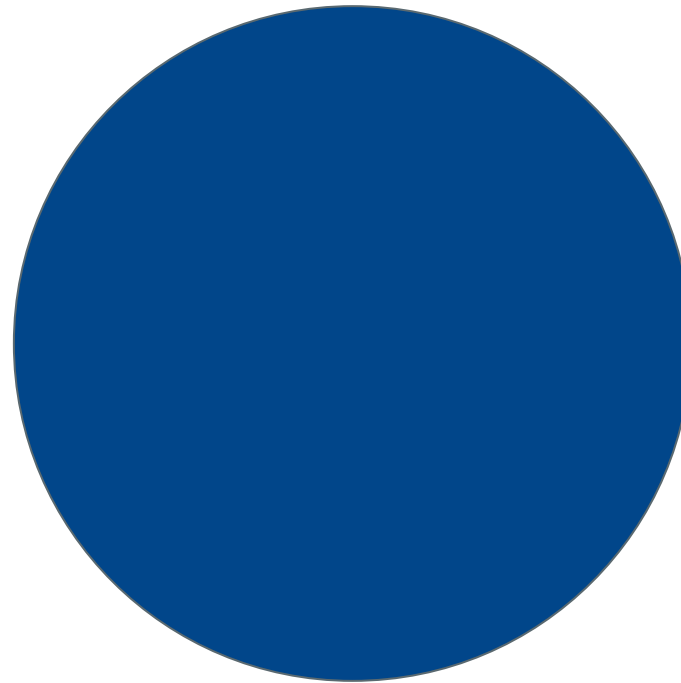
- Revenues in the range € 10 million to € 200 million
 - Borrowing capacity over € 5 million
 - Real estate investors, whereby the real estate portfolio is a strategic choice as part of the asset mix
-
- ➔ Mature companies
 - ➔ Healthy cost/income ratio for the bank
 - ➔ In need of specialists
 - ➔ Substantial wealth accumulation
 - ➔ Company size from a risk perspective

4. Interaction professional and personal needs

- Professional and personal needs are no longer separate issues (legal, tax, 2nd generation, etc.)
- The wish to personally enjoy professional success is arising earlier and earlier
- Business Banking is complementary to Private Banking
- Multi-disciplinary teams of specialists are therefore required

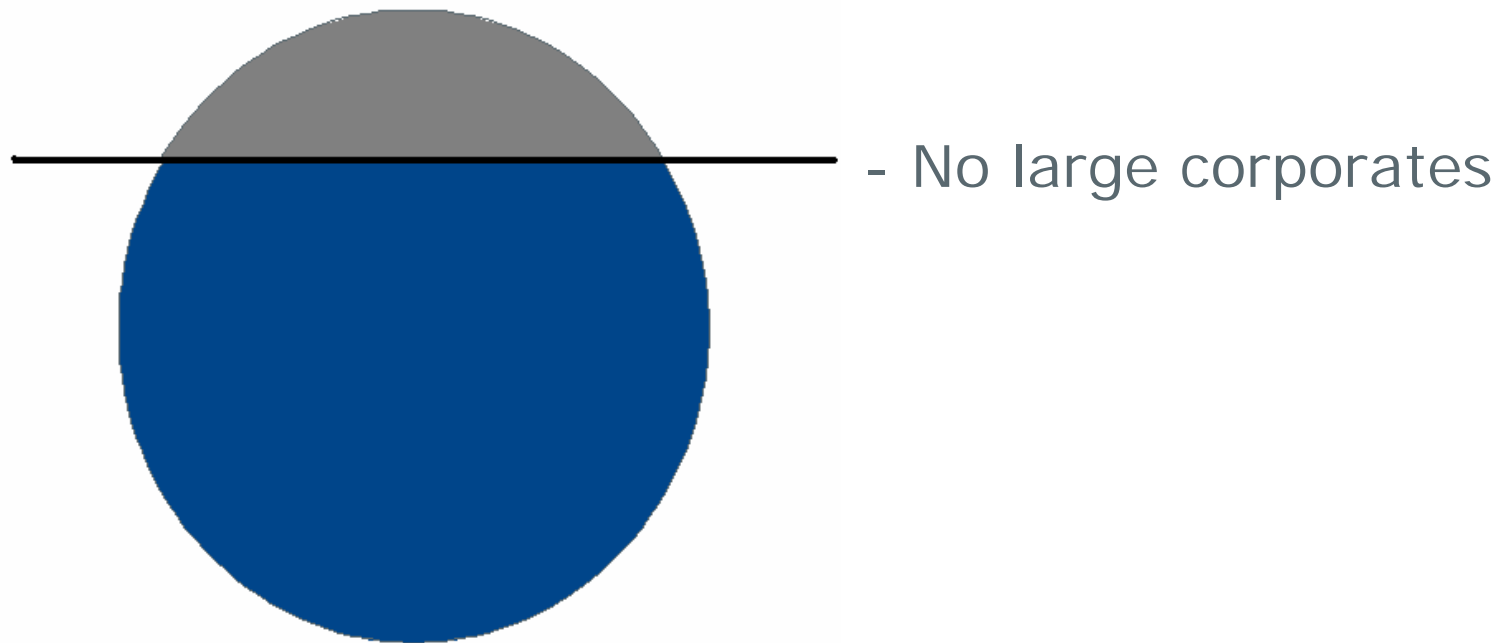
II What we don't do

- We operate in the same market as the large banks

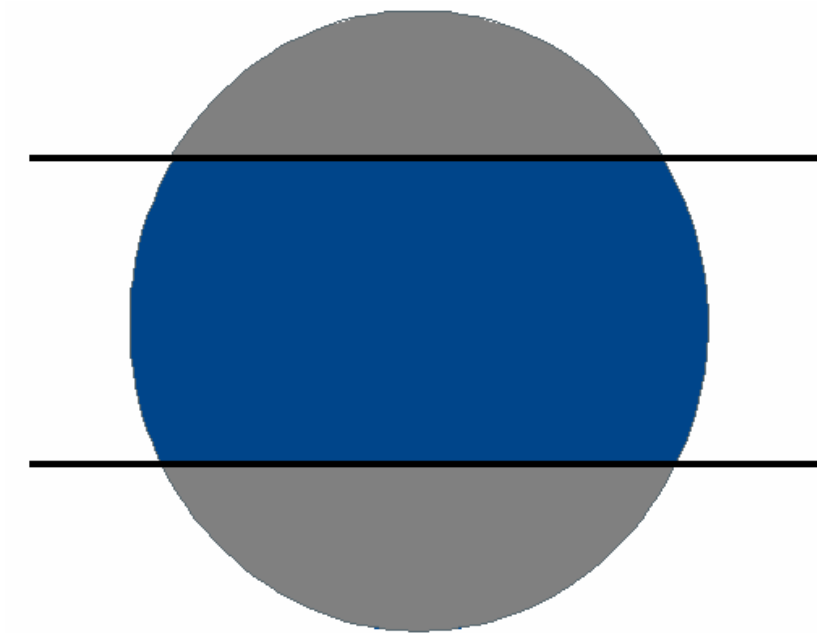


the business segment

But ...

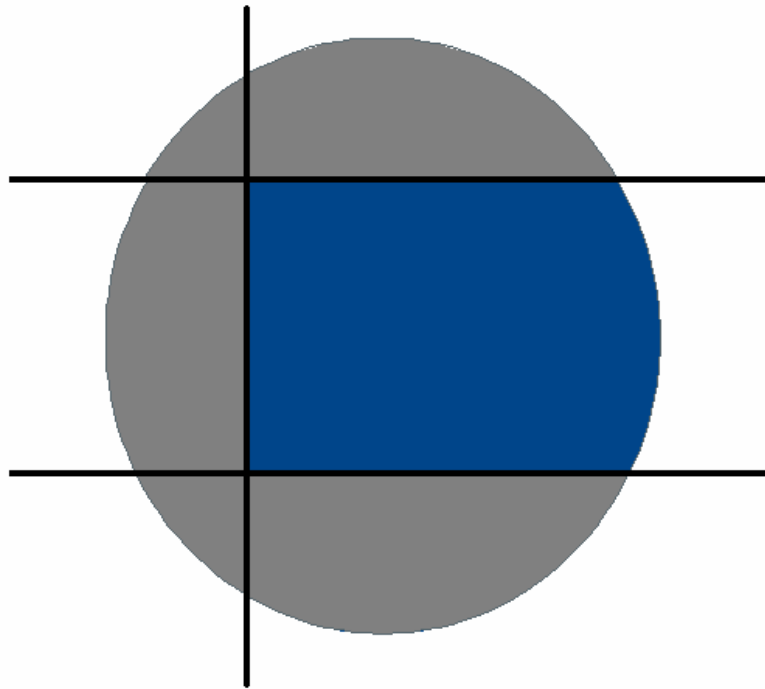


And ...



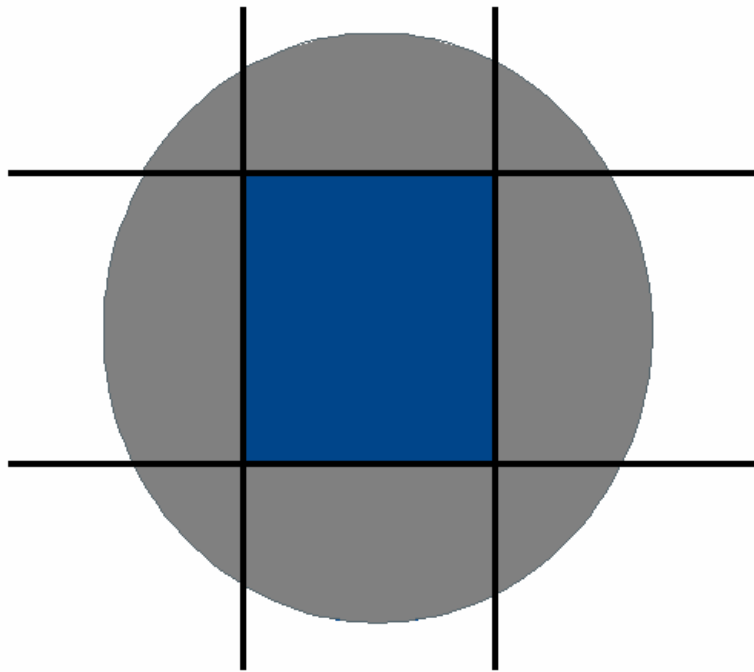
- No large corporates
- No retail

And ...



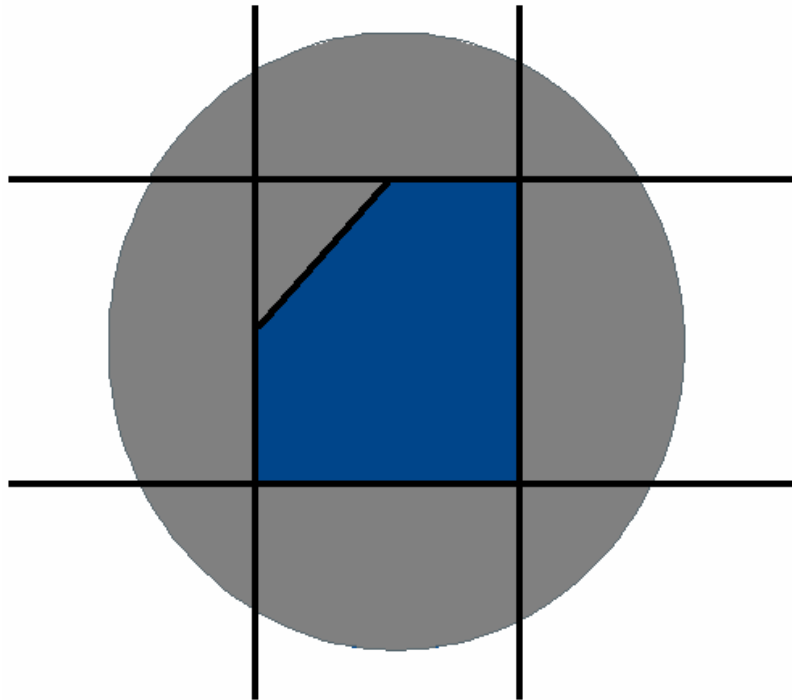
- No large corporates
- No retail
- No foreign companies

And ...



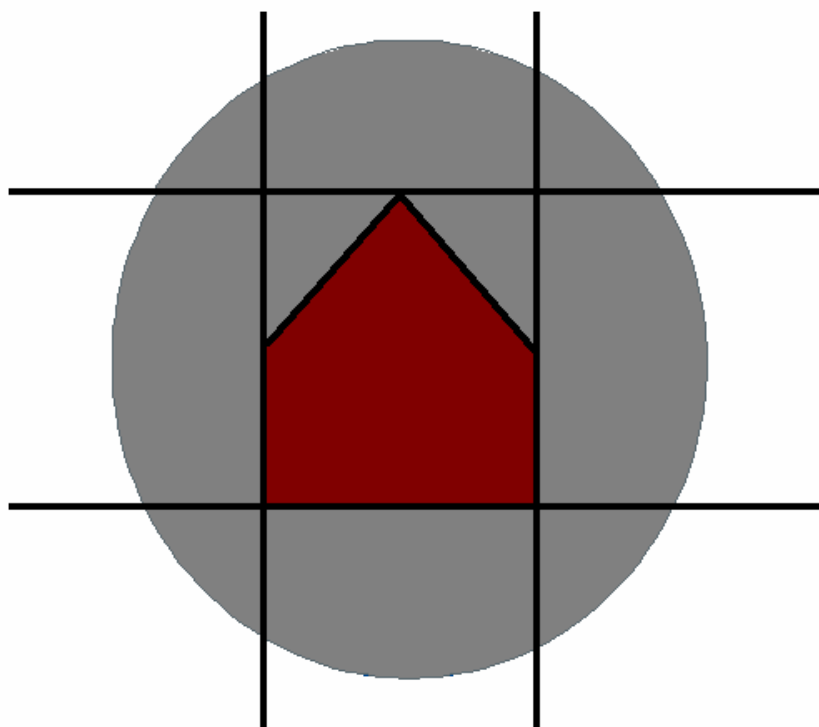
- No large corporates
- No retail
- No foreign companies
- No project development

And ...



- No large corporates
- No retail
- No foreign companies
- No project development
- No hotel, restaurants, leisure

And ...

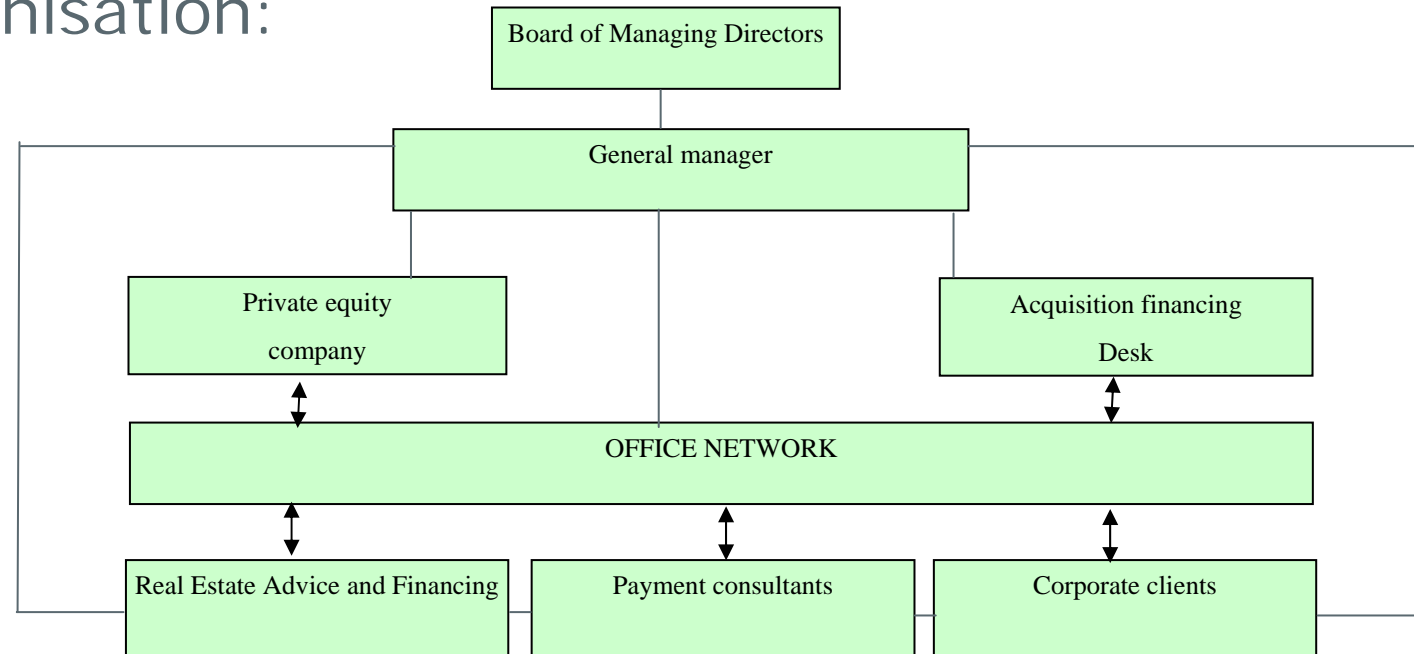


- No large corporates
- No retail
- No foreign companies
- No project development
- No hotel, restaurants, leisure
- No public sector

Business Banking at Van Lanschot

III How we do it

In the organisation:

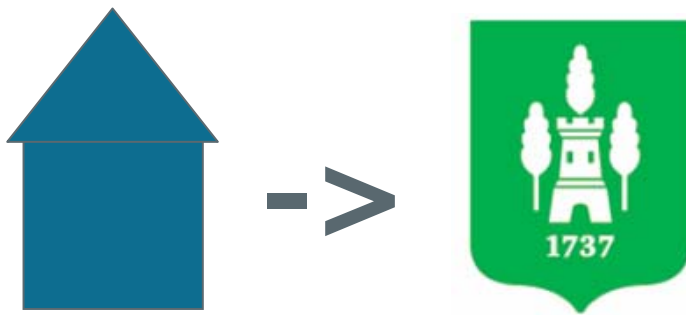


- 13 decentral business units managing the client relationships and targeting prospects
- Central specialist departments providing support for the services to the director-owner
- 150 FTEs

III How we do it

- Short lines mean efficiency and flexibility
- Involvement of Board members in commercial activities
- Bankers serve a limited number of clients and therefore have in-depth knowledge of the client
- We know each other and the client
- Large enough to provide full service
- Small enough to build personal relationships and to be available

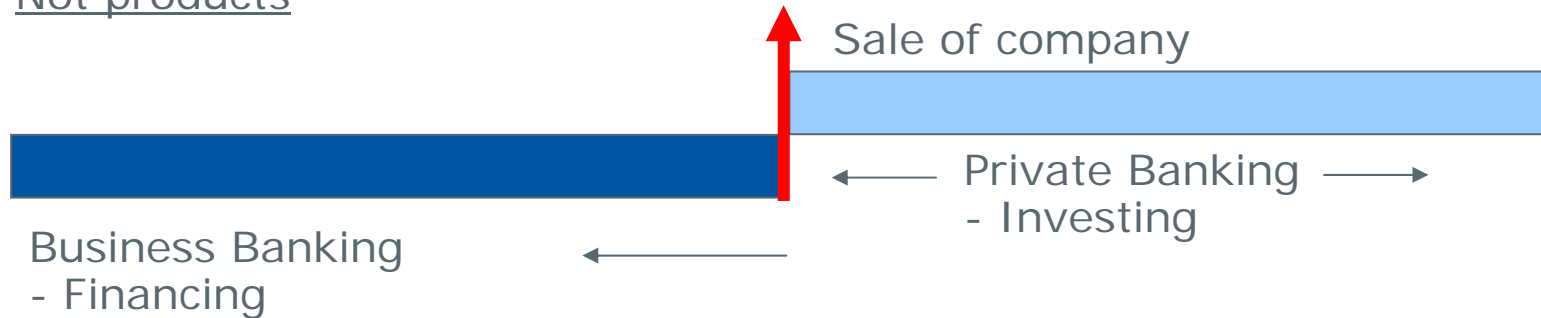
So:



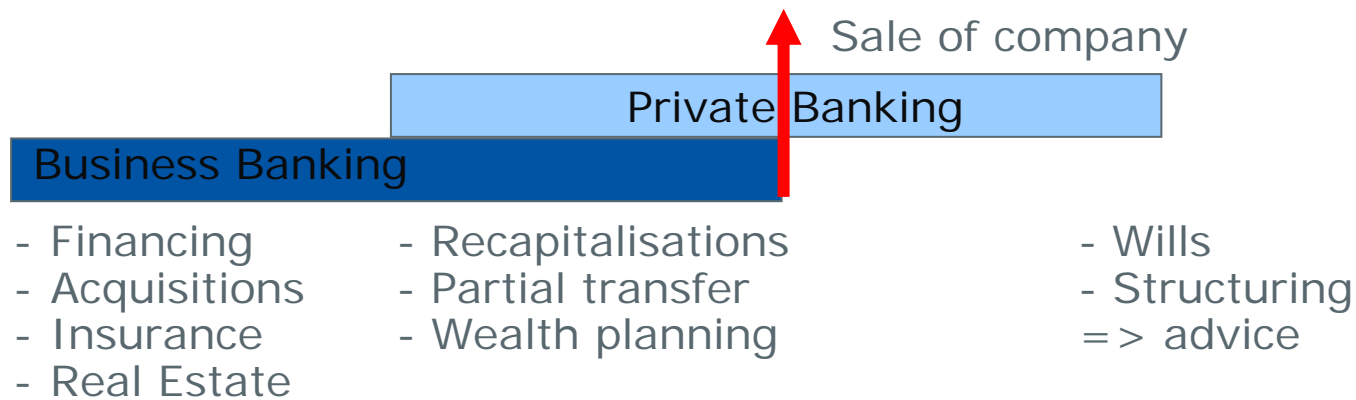
III How we do it

- From a client perspective:

Not products



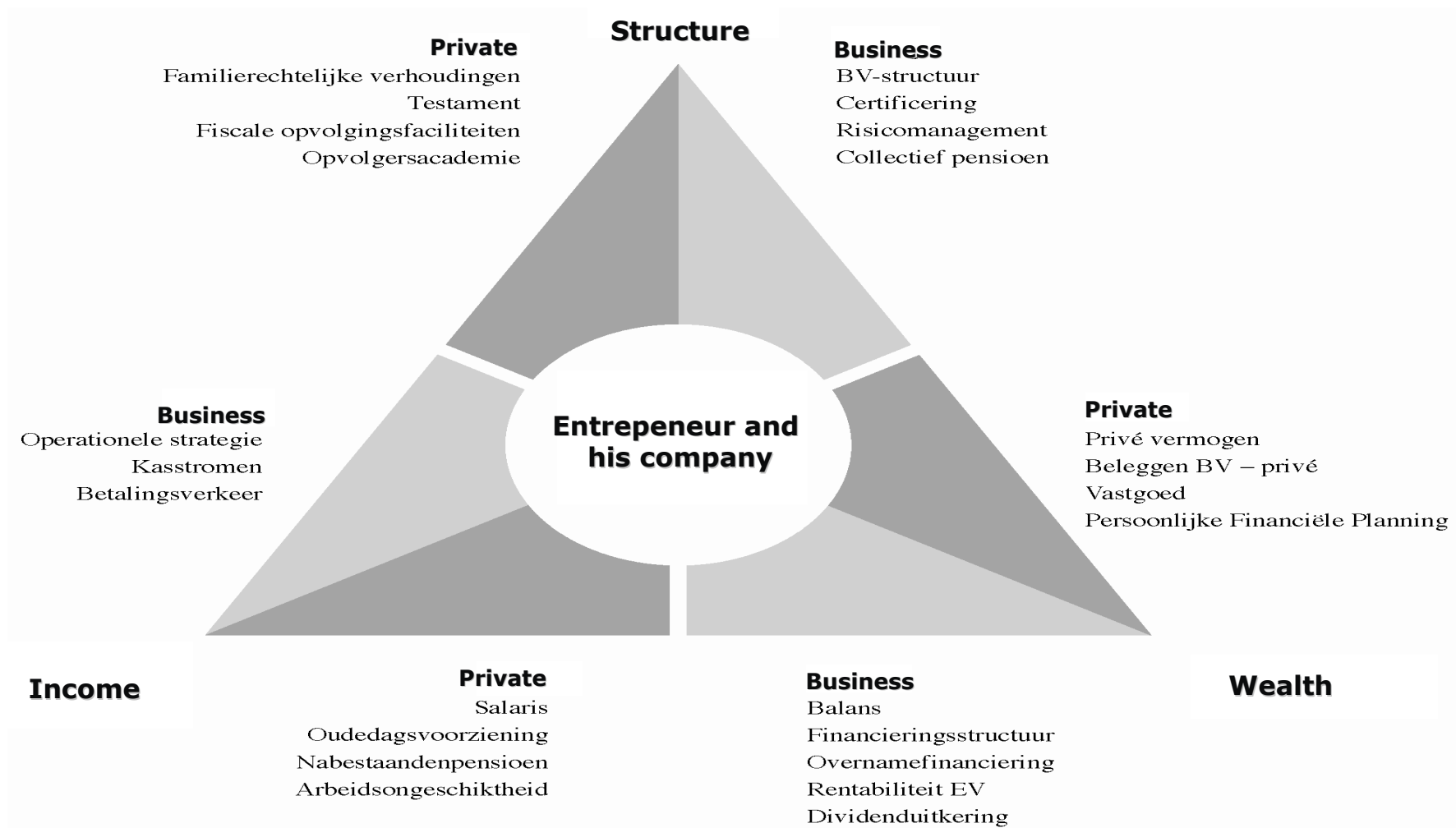
But added value



Client focus

- Director-owner plan methodology
- Embedded in the 'DGA' (Director-Owner) Desk
- Co-production of Business Banking and Private Banking, two inseparable disciplines

Director-owner plan methodology



Developments in 2008

- Continuing growth in the number of clients in our specific target group
- Continuing growth of debit and credit volumes in our specific target group
- Further up-scaling to companies with revenues exceeding € 10 million
- Continuing improvement in cost/income ratio
- Intensive cooperation between Business Banking and Private Banking increasingly results in long-term, profitable and satisfied clients

In short:



Business
Banking

+



Private
Banking

=



The bank for Director-Owners

Experience the difference

Any questions?